"(A) Payments under paragraph (4) shall be deposited in an interest bearing account that the Secretary shall establish for the project.

"(B) The Secretary shall make available amounts in the reserve account only for payments of principal and interest on an equity loan under this subsection. Such payments shall be in amounts necessary to ensure that rent payments made by low-income families residing in the housing do not exceed the maximum rent under section 521(a)(2)(A).

"(C) Any payments to the account, and interest on such payments, not expended in the project from which such payments were made, shall be used in other projects to make payments of principal and interest on an equity loan under this subsection. Such payments shall be in amounts necessary to ensure that rent payments made by low-income families residing in the housing do not exceed the maximum rent under section 521(a)(2)(A).

"(D) The Secretary shall make payments from accounts under this paragraph only to the extent provided in appropriations Acts.

"(6) SUBMISSION OF PLAN.—An owner requesting an equity loan under this subsection shall submit a plan acceptable to the Secretary to ensure that the cost of amortizing an equity loan under paragraph (1) does not result in the displacement of very-low-income tenants or substantially alter the income mix of the tenants in the project.

"(7) REGULATIONS.—The Secretary shall issue final regulations within 180 days from the date of enactment of this subsection.

"(8) EFFECTIVE DATE.—The requirements of this subsection shall apply to any applications for assistance under this section on or after the expiration of 180 days from the date of enactment of this subsection/'.

TITLE III—HOUSING PROGRAM EXTENSIONS AND CHANGES

SEC. 301. FLEXIBLE SUBSIDY PROGRAM.

12 USC 1715z-1. Section 236(1)(3) of the National Housing Act is amended by striking "September 30, 1989" and inserting "September 30, 1991 .

SEC. **302.** CONTINUATION OF PUBLIC HOUSING ECONOMIC RENT.

Section 3(a)(2) of the United States Housing Act of 1937 is 42USCi437a.

amended—

(1) in subparagraph (A), by striking "3-year" and inserting "5-year"; and

(2) in subparagraph (B)—

(1) by striking "3-year" and inserting "5-year ; and

(2) by adding at the end the following: "The terms of all ceiling rents established prior to the date of enactment of

the Department of Housing and Urban Development Reform Act of 1989 shall be extended for the 5-year period beginning on such date of enactment.".